

FROM: WSLC OLYMPIA

TO:

12069439784

DEC 26, 1996 10:18AM #863 P.02

December 24, 1996

TO: All Breweries, Wineries and Wholesalers

SUBJECT: Automation of Price Posting  
Effect of Allowances on Acquisition Cost

Price postings are required by RCW 66.28.180. Currently, subsection 3b of this section states: "Prices filed by a brewery or winery shall be uniform prices to all wholesalers on a state-wide basis less bona fide allowances for freight differentials." All other allowances offered by a brewery or winery to wholesalers must be on file with the Board.

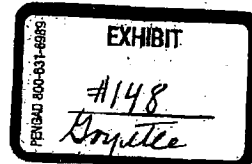
In the past, the Board has allowed several types of allowances to be filed by suppliers, including depletion allowances, purchase allowances, floor inventory allowances, and percentage allowances based on the wholesaler's reduction in price to the retailer. Also, the Board has treated these allowances as a reduction of the price posted by the supplier, thus reducing the wholesaler's acquisition cost, even if the allowance was not paid until after the wholesaler depleted the product from inventory.

The Board's legal staff is concerned this practice may be illegal. To address this issue, at the next task force meeting we will discuss different types of allowances, the effect of each type on acquisition cost, and the integration of allowances into the new, automated price posting system. The tentative date for this meeting is January 23, 1997.

If you wish to attend this meeting and have input on this subject, please contact Rich Raico at (360) 664-2249 or Heidi Whisman at (360) 586-2335. Please RSVP by January 9, 1997, so we may arrange for a meeting room large enough to accommodate all attendees.

Sincerely,

David E. Goyette, Director  
Department of Licensing and Regulatory Services



<b>PLAINTIFF'S EXHIBIT</b>	
CASE NO.	<b>CV04-0360P</b>
EXHIBIT NO.	<b>146</b>

WBW-04632

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